

EXHIBIT 07 – Calculation of Established Rates and Guarantee

The assumptions and procedures in the chart below were used to calculate rates in this GAS. Base information on equipment costs were obtained from the Rental Rate Blue Book for Construction Equipment, published by Primedia Information, Inc.

GUARANTEE CALCULATION FORMULAS

ASSUMPTIONS 1. Vendor's daily fixed cost and profit = 3 times the Un-Operated Hourly Rate. 2. Single Operational Period = single operator working a 14 hour shift (8 hours regular time and 6 hours overtime). 3. Double Operational Period = two operators each working a 12 hour shift (8 hours regular time and 4 hours overtime). 4. Fringe benefits are paid on base 8 hours. 5. Vendor's payroll burden = 35%.	
GUARANTEE CALCULATION FORMULA	Examples are for a BH5 backhoe
Process includes identifying these items:	
1. Item 1 - Un-operated Hourly Rate	\$ 66.00 (from backhoe rates table)
2. Item 2 - Operator Hourly Rate w/o fringe benefits	\$ 25.83 (from SCA wage determination chart)
3. Item 3 - Operators Hourly Fringe Benefit	\$ 2.36 (from SCA Wage Determination chart, 09/07/01)
4. Item 4 - Payroll Burden (use 35% if unknown)	35%
FORMULA: Single Operational Period Guarantee = Profit and Fixed Cost + 14 Hour Operational Period Cost + Fringe Benefits + Payroll Burden Double Operational Period Guarantee = Profit and Fixed Cost + 12 Hour Operational Period Cost + Fringe Benefits + Payroll Burden = Guarantee X 2	
SINGLE OPERATIONAL PERIOD CALCULATION EXAMPLE (Round final figure to the nearest dollar) A. $3 \times \$66 = \198.00 B. $(8 \times \$25.83) + (6 \times 1.5) \times 25.83 = \439.11 C. $8 \times 2.36 = \$18.88$ D. $457.99 (b+c) \times 35\% = \160.30 A+B+C+D = Single Shift Guarantee (A)\$198 + (B)\$439.11 + (C)\$18.88 + (D)\$160.30 = \$816.29 (BH5 Backhoe Single Operational Period Guarantee)	DOUBLE OPERATIONAL PERIOD CALCULATION EXAMPLE (Round final figure to the nearest dollar) A. $3 \times \$66 = \198.00 B. $(8 \times \$25.83) + (4 \times 1.5) \times 25.83 = \361.62 C. $8 \times \$2.36 = \18.88 D. $\$380.50 (b+c) \times 35\% = \133.18 (A+B+C+D) x 2 = Double Shift Guarantee (A)\$198+ (B)\$361.62 + (C)\$18.88 + (D)\$133.18 = \$711.68 x 2 = \$1423.36 (BH5 Backhoe Double Operational Period Guarantee)

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